

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

OCT 20 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

AMERICAN TELEPHONE AND
TELEGRAPH COMPANY

Petition for the Establishment
of Additional Standards to Govern
Study Area Boundary Changes in
Connection with the Transfer of
Service Territories Between or
Among Local Exchange Carriers

RM-8334

COMMENTS OF SOUTHWESTERN BELL TELEPHONE COMPANY

Southwestern Bell Telephone Company (SWBT) files its Comments in opposition to AT&T's Petition for Rulemaking.¹ AT&T wishes to ensure that, as high-cost exchanges are sold by large Local Exchange Carriers (LECs) to small independents, the Universal Service Fund (USF) does not grow beyond a level which AT&T deems reasonable. Implicit in AT&T's Petition is the assumption that the USF has grown too large, an assumption which AT&T makes no effort to substantiate, and an assumption which SWBT strongly disputes. Moreover, the USF is being reviewed in other proceedings.² Initiating a rulemaking on the limited area proposed by AT&T would result in a needless duplication of effort.

¹ *Petition for the Establishment of Additional Standards to Govern Study Area Boundary Changes in Connection with the Transfer of Service Territories Between or Among Local Exchange Carriers, American Telephone and Telegraph Company, filed September 3, 1993, RM-8334 (Petition).*

² *In the Matter of Amendment of Part 36 of the Commission's Rules and Establishment of a Joint Board [examination of USF], Notice of Proposed Rulemaking, CC Docket No. 80-286, released September 14, 1993; In the Matter of the Reform of the Interstate Access Charge Rules, RM-8356, released October 1, 1993.*

No. of Copies rec'd
List ABCDE

045

I. THE STUDY AREA WAIVER PROCESS.

The USF calculations are performed on "study areas," which generally comprise a LEC's exchanges in a single state. Study area boundaries have been frozen as they were on November 15, 1984,³ to prevent carriers from subdividing study areas to isolate high cost exchanges.⁴

The Commission has, over the years, allowed the modification of study areas, provided that the following criteria are satisfied: (1) the boundary change will not adversely impact the USF support program, (2) the applicable state commission does not object to the change, and (3) the public interest is served.⁵

AT&T's Petition asks the Commission to initiate a Rulemaking to establish new and more comprehensive standards for study area changes.

II. ADDITIONAL STANDARDS FOR STUDY AREA WAIVERS ARE UNWARRANTED AT THIS TIME.

The AT&T Petition should be dismissed. As the Petition itself points out, the Commission has already enunciated standards to be applied to all study area waiver requests. In addition, the Common Carrier Bureau (CCB) has recently issued a Public Notice listing additional information for carriers to provide when seeking study area waivers, information very similar to that requested by

³ 47 C.F.R. Part 36, Appendix-Glossary.

⁴ *MTS and WATS Market Structure*, Recommended Decision and Order, 49 Fed. Reg. 48325, ¶ 66, (1984).

⁵ *U S West Communications, Inc. and Wiggins Telephone Ass'n Joint Petition for Waiver*, Memorandum Opinion and Order, AAD-92-70, released August 10, 1993.

AT&T.⁶ There is no reason to commence a rulemaking to duplicate what the CCB has already accomplished.

It is true that the CCB's Public Notice does not require carriers to submit the suggested data; however, the Notice makes clear that the CCB considers the information necessary in determining if a study area waiver should be granted. Also, the CCB's approach of treating each application on an *ad hoc* basis is much more flexible and adaptive to unusual circumstances than would be the rules championed by AT&T.

The Commission has recently issued an NPRM (Notice of Proposed Rulemaking) in CC Docket No. 80-286⁷ which addresses AT&T's purported concern about growth of the USF. Also, a recent rulemaking will touch on many of these same issues.⁸ As SWBT has stated in CC Docket No. 80-286, any review of subsidy/support mechanisms should include all such mechanisms, not just the USF, and should be part of an overall review of interstate access charge rules. Therefore, instituting a rulemaking, as AT&T requests, would result in needless duplication and confusion.

⁶ FCC Public Notice, DA 93-1093, released September 7, 1993.

⁷ *In the Matter of Amendment of Part 36 of The Commission's Rules and Establishment of a Joint Board*, Notice of Proposed Rulemaking, CC Docket No. 80-286, released September 14, 1993 (NPRM).

⁸ *In the Matter of the Reform of the Interstate Access Charge Rules*, RM-8356, released October 1, 1993.

III. CONCLUSION.

For the reasons stated herein, the Commission should deny AT&T's Petition and direct its attention toward a review of the interstate access charge rules. Such a review should include an examination of all subsidy/support mechanisms, including the USF.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

By



Robert M. Lynch
Richard C. Hartgrove
Paul Walters

Attorneys for
Southwestern Bell Telephone Company

One Bell Center, Room 3520
St. Louis, Missouri 63101
(314) 235-2507

October 20, 1993

CERTIFICATE OF SERVICE

I, Joseph Meier, hereby certify that the foregoing "Comments of Southwestern Bell Telephone Company", in RM-8334, has been served this 20th day of October, 1993 to the Parties of Record.


Joseph C. Meier

Francine J. Berry
Robert J. McKee
American Telephone &
Telegraph Company
295 North Maple Avenue
Room 3244J1
Basking Ridge, NJ 07920

Martin McCue
Vice President &
General Counsel
USTA
900 19th Street, N.W.
Suite 800
Washington, D.C. 20006

ITS, Inc.
1919 M Street, N.W.
Room 246
Washington, D.C. 20554